

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 970 – HB 1076

March 27, 2017

SUMMARY OF ORIGINAL BILL: Authorizes emergency communications officials and employees to purchase insurance to protect against breach of duty, in lieu of a surety bond.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Expenditures - \$66,000/Permissive

SUMMARY OF AMENDMENT (004867): Deletes all language after the enacting clause. Authorizes emergency communications officials and employees to purchase fidelity bonds to protect against breach of duty, in lieu of a surety bond.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on information provided by the Tennessee Emergency Communications Board, the estimated cost of surety bond coverage is \$175 per person and the estimated cost of fidelity bond is \$65 per person.
- A difference of \$110 per person (\$175 bond - \$65 insurance).
- Approximately 600 officials and employees will be covered by fidelity bonds in lieu of a surety bond as a result of this legislation.
- The permissive recurring decrease in local expenditures is estimated to be \$66,000 (\$110 savings x 600 officials and employees).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/amj